

SENATE BILL REPORT

SB 5844

As Reported by Senate Committee On:
Government Operations & Elections, February 24, 2009

Title: An act relating to public works bid limits.

Brief Description: Changing public works bid limits.

Sponsors: Senators Tom, Brandland, Fraser and Shin; by request of Capital Projects Advisory Review Board.

Brief History:

Committee Activity: Government Operations & Elections: 2/24/09 [DP, w/oRec].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Fairley, Chair; Oemig, Vice Chair; McDermott and Pridemore.

Minority Report: That it be referred without recommendation.

Signed by Senators Roach, Ranking Minority Member; Swecker.

Staff: Sharon Swanson (786-7447)

Background: Most public entities are required to use the open competitive bid process for public works projects estimated to cost above a certain dollar figure. Projects estimated to cost below the limits can be performed by in-house staff or contracted out without competitive bid. In most instances, the dollar figure varies based on how many trades are required for the project. Different public entities have different bid limits. The basic proposition of competitive bidding procedures is that the contract is awarded to the lowest responsible bidder.

Various bid limits are included in Table 1:

Table 1. Self Performance and Bid Limits for Public Works

	Dollar Limits for Self Performance/No Bid Requirements	Last Increase
School Districts	Less than \$40,000	2005

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

	\$40,000 - \$100,000 – competitive bid	
	More than \$100,000 – formal bid	
Universities	Less than \$35,000 for 1 trade Less than \$55,000 for 2+ trades	2007
Community Colleges	Less than \$35,000 for 1 trade Less than \$55,000 for 2+ trades	2007
First Class Cities	Less than 10 percent of public works budget, including work by county; and	2002
More than 150,000 population	Less than \$70,000 2+ trades and Less than \$90,000 after January 1, 2010 Less than \$35,000 1 trade and Less than \$45,000 after January 1, 2010	
Less than 150,000 population	Less than \$50,000 2+ trades and Less than \$65,000 after January 1, 2010 Less than \$30,000 1 trade and Less than \$40,000 after January 1, 2010	
Second Class Cities	Less than \$45,000 or Less than \$60,000 after January 1, 2010 Less than \$30,000 1 trade or Less than \$40,000 after January 1, 2010	2002
Counties	Less than 10 percent of public works budget; and	1986
More than 1,000,000 population	Less than \$70,000 2+ trades Less than \$25,000 1 trade	
Less than 1,000,000 population	Less than \$10,000	1993
Fire Protection Districts	Less than \$2,500	1984
Water Sewer Districts	Less than \$10,000	2003
Public Utility Districts	Less than \$25,000 Less than \$150,000 for maximum cost of materials	2008
Hospital Districts	Less than \$50,000	2002
Ports	Less than \$200,000	2007
State Agencies	No bid limit	

Summary of Bill: Bid limits for certain public entities are changed, as follows:

	Single Trade	Multiple Trades
Higher Education	\$45,000	\$90,000
First Class Cities	\$45,000	\$90,000
Second Class Cities	\$40,000	\$65,000
Code Cities with more than 20,000	\$40,000	\$65,000
Code Cities with less than 20,000	\$40,000	\$65,000
Counties over one million	\$45,000	\$90,000
Other counties	\$40,000	\$40,000

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This is a good bill but it needs to be harmonized with the version that passed out of the House committee last week. The bill needs to go further and include fire and sewer districts. The bill is a step in the right direction, it just needs to be expanded to include additional parties.

CON: This legislation will take construction work away from small businesses and away from the contractors who should be performing this work. The bill will take away accountability.

Persons Testifying: PRO: Ryan Spiller, Washington Fire Commissioners; Joe Daniels, Washington Association of Sewer and Water Districts; Mike Knorr, Washington Fire Chiefs, South King Fire & Rescue; T.K. Bentler, Metro Parks Tacoma.

CON: Larry Stevens, Mechanical Contractors Association; Gary Smith, Industrial Business Association.